

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-third Session
April 4, 2005**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 8:05 a.m. on Monday, April 4, 2005, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

GUEST LEGISLATORS PRESENT:

Senator Mike McGinness, Central Nevada Senatorial District
Senator Maggie Carlton, Clark County Senatorial District No. 2

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Bob Guernsey, Principal Deputy Fiscal Analyst
Lynn Hendricks, Committee Secretary

OTHERS PRESENT:

John P. Comeaux, Director, Department of Administration
Major General Giles E. Vanderhoof, Adjutant General of Nevada, Office of the
Military
Gary H. Wolff, Teamsters Union Local 14
Bobbie Kintzel Jr.
Walter R. Tarantino, Nevada Highway Patrol Association; Nevada Corrections
Association; State Peace Officers Council; Douglas County Sheriff's
Protective Association
Ronald P. Dreher, Peace Officers Research Association of Nevada, Incorporated
Dana Bilyeu, Executive Officer, Public Employees' Retirement Board
Nancy J. Howard, Nevada League of Cities
Sabra Smith-Newby, City of Las Vegas
Karen R. Grillo, Nevada Association of Counties
Debra Rae Drew, Executive Director, Nevada Landscape Association
Andy Belanger, Southern Nevada Water Authority
Joe L. Johnson, Toiyabe Chapter Sierra Club
Doug Busselman, Nevada Farm Bureau
Edith Isidoro-Mills
John L. McLain, Resource Concepts, Incorporated
Heather M. Dye

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Dan Klaich, Chief General Counsel, Chancellor's Office, University and
Community College System of Nevada
Allen Biaggi, Director, State Department of Conservation and Natural Resources
Be-Be Adams, Barrick Gold of North America
Carol Madsen, Vice Chair, Elko-Lander-Eureka County Library Board
Sara F. Jones, Administrator, Division of State Library and Archives,
Department of Cultural Affairs
William G. Johnson, Director, Atomic Testing Museum
Scott M. Craigie, Nevada Public Broadcasting
Lamar Marchese, General Manager, KNPR, Nevada Public Radio

CHAIR RAGGIO:

We have two bill draft requests (BDRs) to consider for Committee introduction.

BILL DRAFT REQUEST S-1403: Makes appropriation to University of Nevada,
Reno, for creation of Basque Genealogy Center. (Later introduced as
[Senate Bill 494](#).)

SENATOR MATHEWS MOVED TO INTRODUCE BDR S-1403.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CEGAVSKE, COFFIN AND TITUS
WERE ABSENT FOR THE VOTE.)

BILL DRAFT REQUEST S-1410: Makes appropriation to Department of Cultural
Affairs for expenses relating to creation of Online Encyclopedia. (Later
introduced as [Senate Bill 495](#).)

SENATOR BEERS MOVED TO INTRODUCE BDR S-1410.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS CEGAVSKE, COFFIN AND TITUS
WERE ABSENT FOR THE VOTE.)

CHAIR RAGGIO:

We have some amendments to the budget to consider ([Exhibit C](#), original is on
file at the Research Library).

CORRECTIONS

NDOC Director's Office — Budget Page CORRECTIONS-6, 8, 10 (Volume III)
Budget Account 101-3710

JOHN P. COMEAUX (Director, Department of Administration):

Under Governor Recommends Budget, amendments 52 and 53 of [Exhibit C](#) are
adjustments requested by the Department of Corrections to allow for the
completion of Phase II of renovation of the sewer treatment plant of the
Southern Nevada Correctional Center. Originally they had an agreement with a

private company to renovate the plant and handle the sewage; however, that company is not yet ready to do this. The Center cannot open until the renovation has been completed. The amendment requires eliminating \$500,000 in deferred maintenance projects from the Department of Corrections' budget to complete the sewer project.

PUBLIC SAFETY

Public Safety, Parole and Probation — Budget Page PS-115, 116 (Volume III)
Budget Account 101-3740

MR. COMEAUX:

Amendment 54 of [Exhibit C](#) is a correction to reflect the most recent caseload forecast from JFA Associates. They projected a net decrease in caseload, resulting in the elimination of a couple of positions.

SENATOR BEERS:

At one time, JFA stated Nevada had an unusually low number of offenders on probation. These numbers would seem to indicate we are not planning to do anything to change this.

MR. COMEAUX:

This amendment does not take into consideration a concerted push by the courts to increase probation. This gives the Division of Parole and Probation the staffing required to handle the caseload forecast by JFA.

CHAIR RAGGIO:

We previously heard testimony that Nevada has the lowest rate of parolees and probationers. We want to make sure if these rates increase, we have the officers to handle the need.

MR. COMEAUX:

These forecasts are based on a "business as usual" scenario.

MR. COMEAUX:

Amendment 55 of [Exhibit C](#) makes changes in the Department of Corrections' budget to allow them to continue the Residential Substance Abuse Treatment Grant program in the face of a reduction in the program's federal grant.

SENATOR MATHEWS:

I note this amendment refers to the elimination of the purchase of tasers. Were they using tasers before?

MR. COMEAUX:

They have used tasers for a long time. I think this refers to the replacement of old equipment, but I will follow up on that.

EDUCATION

Distributive School Account — Budget Page K-12 ED-1 (Volume I)
Budget Account 101-2610

MR. COMEAUX:

Amendment 56 of [Exhibit C](#) makes an adjustment of 0.25 percent in the salary category in the Distributive School Account (DSA). This is in connection with the adjustment in the Public Employees Retirement System (PERS) rate.

CHAIR RAGGIO:

The action taken by this Legislature on property tax relief, [Assembly Bill \(A.B.\) 489](#), will reduce revenue to the DSA by an estimated \$44 million over the biennium. In addition, a correction was presented to us previously of \$34 million per year. What is the status of this situation?

[ASSEMBLY BILL 489](#): Provides for partial abatement of ad valorem taxes imposed on property. (BDR 32-1383)

MR. COMEAUX:

Some school districts failed to designate part of their reserves from their ending fund balances. They designated an additional \$34 million for onetime expenditures. We would not normally recommend approval of expenditures of this nature. However, since we have not given the school districts a way to approach the Legislature for onetime expenditures, they find a way to save the funds from their regular budget. In order to make them whole, we will need to put \$69 million in the DSA. We will be looking at that, coupled with the property tax adjustment of \$100 million, that needs to be put in the DSA. The only good news is when the Economic Forum meets on May 1, 2005, there is a good chance their new forecast will provide that additional revenue.

CHAIR RAGGIO:

Do you recommend a budget amendment at this time?

MR. COMEAUX:

No. I spoke to the Governor about this, and he is not currently prepared to recommend removing \$69 million in other expenditures from the *Executive Budget*. The Governor suggests waiting to see the recommendations of the Economic Forum.

PUBLIC DEFENDER

[HR, Public Defender](#) — Budget Page PUB DEF-1 (Volume II)
Budget Account 101-1499

Amendment 57 of [Exhibit C](#) is an adjustment to the State Public Defender's budget. In previous testimony, they indicated the Budget Division made an error in allocating funding between the counties and the state. We had included post-conviction relief cases, and those are 100-percent state-funded. This is a correction of that mistake.

HUMAN RESOURCES

[HR, HCF&P Nevada Check Up Program](#) — Budget Page HCF&P-39 (Volume II)
Budget Account 101-3178

[HR, HCF&P HIFA Medical](#) — Budget Page HCF&P-31 (Volume II)
Budget Account 101-3247

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HR, HCF&P HIFA Holding Account — Budget Page HCF&P-44 (Volume II)
Budget Account 101-3155

HR, Welfare Field Services — Budget Page WELFARE-21 (Volume II)
Budget Account 101-3233

Health Care Financing and Policy — Budget Page HCF&P-6 (Volume II)
Budget Account 101-3158

MR. COMEAUX:

Amendments 58 through 62 of [Exhibit C](#) are related to the Department of Human Resources' Health Insurance Flexibility and Accountability (HIFA) waiver. These adjustments are necessary to remove the cap originally placed on the Nevada Check Up budget. After the budget was developed, the Department of Human Resources learned the HIFA waiver would not be approved if there was a cap on the Check Up program. The theory is you cannot expand services in one area at the expense of another area. Therefore, it is necessary to delay implementation of the HIFA program by three months to pay for removing the cap from Nevada Check Up.

Amendment 63 of [Exhibit C](#) corrects an error made by the Budget Division in not indicating a transfer from the Indigent Accident Account. We reflected the transfer to the Human Resources Account; we termed that a holding account for the HIFA waiver.

SENATOR BEERS:

The balance forward for fiscal year (FY) 2007 for the Indigent Accident Account is currently \$30 million. Are you anticipating balancing forward \$25 million?

MR. COMEAUX:

The transfer to Human Resources would be \$274 million the first year and \$5.2 million the second year. We would be balancing forward around \$25 million.

SENATOR BEERS:

Did we charge 1.5 cents for property tax revenue in FY 2004? This is the base year for determining the cap on property tax revenue.

MR. COMEAUX:

We did not charge it for some portion of FY 2004.

SENATOR BEERS:

Given the fact this is going to raise \$12 million to \$15 million per year, has the Office of the Governor given any thought to not assessing it for one year or reducing the amount to 0.75 cents?

MR. COMEAUX:

That is why we did not do it in FY 2004. We probably should not have done it in FY 2005. There has been no discussion about omitting this assessment.

SENATOR BEERS:

If all you are going to use is \$5 million or \$6 million, there is probably room to drop the assessment.

MR. COMEAUX:

We can certainly consider it.

Amendment 64 of [Exhibit C](#) is the change in the recommended supplemental appropriation for the Department of Corrections. The Department of Corrections needs less money for taking over the operations of the women's institution and more money in general for operating the facility, including utilities and inmate-driven costs. The net increase is \$227,000.

Amendment 65 of [Exhibit C](#) is a decrease of \$320,847 that the Department of Human Resources indicated could be made in the amount of their requested supplemental appropriation. This is related to the Desert Regional Center.

Amendment 66 of [Exhibit C](#) corrects a clerical error by transferring funds from the Commission on Tourism budget to the Nevada Film Office budget.

Amendment 67 of [Exhibit C](#) completes the correction of amendment 66. It also makes an adjustment to miscellaneous revenue to correct an error in that budget of \$24,000 in the first year and \$27,000 in the second year of the biennium.

Amendment 68 of [Exhibit C](#) is a correction to the Procurement Outreach Program. We mistakenly funded this program with a capped grant. This amendment removes the remainder of the funds from the General Fund in the amount of \$10,734 in the first year of the biennium and \$17,454 in the second year of the biennium.

Amendment 69 of [Exhibit C](#) is a reduction in some of the deferred maintenance projects in order to pay for amendment 56.

Amendment 70 of [Exhibit C](#) moves the remaining deferred maintenance projects into the first year of the budget.

CHAIR RAGGIO:

We have questions on those deferred maintenance projects. It should be taken out of the budget. You had \$19 million designated for deferred maintenance, and it is now reduced to \$15 million. I would like your staff to work on this decision unit.

MAJOR GENERAL GILES E. VANDERHOOF (Adjutant General of Nevada, Office of the Military):

I have a revised cost estimate for the design and construction of the Las Vegas Readiness Center, as indicated in my letter of March 31, 2005, to Senator Raggio ([Exhibit D](#)). My immediate concern is funding to continue the design process. I am requesting \$617,578 from the state, along with the authority to receive \$317,520 from the federal government, to allow us to complete the design process. This would enable us to complete the design and put out bids for construction by September 30, 2005, which is the deadline the federal government has set for the beginning of construction. Money for the design process will run out on April 29, 2005.

CHAIR RAGGIO:

We will make your letter and project cost estimates part of the record. What portion of the total cost will be federal funding?

MAJOR GENERAL VANDERHOOF:

The total project cost, including design, is \$27,154,031 at this time. Of this, federal funding for construction is \$14,853,000.

CHAIR RAGGIO:

I will consider a motion for Committee introduction of a bill draft.

SENATOR COFFIN MOVED TO REQUEST A BILL DRAFT FOR ADVANCE FUNDING IN THE AMOUNT OF \$614,578 AND AUTHORITY TO RECEIVE \$317,520 FROM THE FEDERAL GOVERNMENT FOR THE DESIGN OF THE LAS VEGAS READINESS CENTER.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

SENATOR BEERS:

I would like to request a bill draft to appropriate \$200,000 to a group called Future Stars of America. This is a charitable organization that teaches foster children and other at-risk children basic financial skills. They plan to use the money to hire instructors, rent classroom space and build community awareness of the program.

SENATOR CEGAVSKE MOVED TO REQUEST A BILL DRAFT FOR AN APPROPRIATION IN THE AMOUNT OF \$200,000 FOR THE FUTURE STARS OF AMERICA.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

CHAIR RAGGIO:

I will open the hearing on Senate Bill (S.B.) 145.

SENATE BILL 145: Revises provisions regarding eligibility of police officers and firefighters to receive disability retirement allowances. (BDR 23-957)

SENATOR MATHEWS:

We have a film on this issue ([Exhibit E](#), original is on file at the Research Library) that speaks louder than words. This short documentary details the experiences of Nevada Highway Patrolman Bobbie Kintzel in April 2001.

GARY H. WOLFF (Teamsters Union Local 14):

This bill seeks to correct an injustice. Under current statute, a police officer or firefighter who takes a medical retirement receives a lifetime pension equal to 23 percent of his full-time salary. This is not enough to live on. This bill increases the amount to 50 percent with five years of service.

We have an amendment to offer ([Exhibit F](#)) that defines the term "catastrophic event" as "a dramatic or horrific action of a tragedy or violent event." We would like to add this definition to make it clear the bill is not intended to apply to minor or commonplace injuries.

BOBBIE KINTZEL JR.:

I urge you to pass S.B. 145. As you saw in [Exhibit E](#), the incidents of April 21, 2001, left me with many physical injuries. The mental injury occurred when I discovered I would only be receiving 23 percent of my salary after my medical retirement. Firefighters and police officers put their lives on the line every time they put on a uniform. We do it gladly to protect your children, your houses and the roads you drive on. The system is not a bad one, but it needs to be upgraded.

CHAIR RAGGIO:

Thank you for coming to speak with us today. Your story is inspiring.

SENATOR BEERS:

Could you explain why Mr. Kintzel's medical retirement pay is only 23 percent?

MR. WOLFF:

When Mr. Kintzel was injured, he had six years of service with the Nevada Highway Patrol. Under PERS, he needed ten years of service to be fully vested. Under current law, an injured officer receives his full salary for one year while he undergoes rehabilitation. If he cannot resume the duties of a state trooper at the end of that time, he is terminated from the Nevada Highway Patrol and required to take a medical retirement.

I brought photographs of Mr. Kintzel's injuries ([Exhibit G](#)). These pictures were taken by homicide detectives when it was thought Mr. Kintzel was going to die of his injuries.

WALTER R. TARANTINO (Nevada Highway Patrol Association; Nevada Corrections Association; State Peace Officers Council; Douglas County Sheriff's Protective Association):

I received a telephone call just this weekend regarding an officer ambushed by several suspects with AK-47 assault rifles. He was shot through the hand and may be disabled for life. Based upon his years of service, he will only receive 20.6 percent of his pay if he must take a medical retirement.

I have a written statement from Dawn Kintzel, Mr. Kintzel's wife ([Exhibit H](#)) for the record.

CHAIR RAGGIO:

As I read the bill, it provides an option that an officer with five years of service who is disabled by a catastrophic event is eligible to receive either the 50-percent compensation you mentioned or the standard disability allowance that is already in the law.

MR. TARANTINO:

That is correct. Someone with many years of service may be eligible for a compensation rate of more than 50 percent. This bill would cover those officers who have only been employed for a relatively short period of time.

SENATOR COFFIN:

I thought the policy was not to terminate people who have been wounded in the line of duty. They should have a job for life.

MR. WOLFF:

I agree, but the rules are not set up that way. If you cannot perform the essential functions of the job, you cannot continue in employment.

There have only been three people in the Nevada Highway Patrol over the last eight years who would qualify for the provisions of this bill. This is not a widespread problem. Our intention is that Mr. Kintzel would be able to apply for this enhanced compensation since he is still employed by the Nevada Highway Patrol.

RONALD P. DREHER (Peace Officers Research Association of Nevada, Incorporated):

I support this bill. The bill should be made retroactive, if necessary, to ensure Trooper Kintzel's injury is included. I know an officer in Reno who received a catastrophic injury, but because the injury occurred during his probationary period, this bill would not help him. When an officer puts his life on the line, he should be covered from his first day on the job. This bill is a start to correct an error that has existed for a long time. I have not seen [Exhibit F](#), but I will support the bill because anything is better than the system currently in place.

CHAIR RAGGIO:

Does the bill make any stipulation as to the percentage of disability required for this compensation?

MR. WOLFF:

The bill requires the disability be rated at a minimum of 50 percent.

DANA BILYEU (Executive Officer, Public Employees' Retirement Board):

I have provided written testimony ([Exhibit I](#)). The Board has taken a position in opposition to S.B. 145 due solely to the cost. As the bill was originally drafted, it carried a cost of 0.39 percent of police/fire payroll. Because our rates are already going to 32 percent for employer pay, this would require the rate to go to 32.75 percent.

The Board wanted me to put a couple of points on the record. There are no differences currently between the regular fund and the police/fire fund with respect to benefit structure (with the exception of earlier retirement for those individuals under police and fire). If this bill became law, the Board would want to make the same benefit available to all public employees suffering a catastrophic event or horrific injury. For example, employees in the Nevada Department of Transportation can be exposed to tremendous dangers and have horrific job-related injuries. This would also help us move employees from one department to another with the same benefit structure.

I have not seen the amendment in [Exhibit F](#). When I have that information, I will give it to the actuary to submit a new fiscal note for this bill. Because the contribution rates came in at 32.12 percent for employer pay, due to our statutory rounding mechanisms, the rate will change if this benefit has a 0.01 percent cost associated with it. As soon as the contribution rate goes to

32.13 percent, we round to the nearest 0.25 of 1 percent which would be 32.25 percent. From our perspective, the cost is significant.

CHAIR RAGGIO:

The fiscal note currently seems to indicate the rate will move to 32.5 percent. Is this rate based on all public employees or just police and fire?

Ms. BILYEU:

The note is based on just police and fire. We are not seeking an amendment to expand the bill, but are rather speaking from the perspective of pension policy.

CHAIR RAGGIO:

The estimate you provided states the cost to PERS would be \$3.5 million for FY 2006 and \$3.8 million for FY 2007; of that, the cost to the state would be \$1.3 million and \$1.4 million respectively, and the local cost would be \$2.2 million and 2.4 million. Is that correct?

Ms. BILYEU:

Yes.

CHAIR RAGGIO:

How will the rate change if this applies to all state employees?

Ms. BILYEU:

The members of the regular fund are pooled separately, so we would look at how it would affect the 19.75-percent rate that will go into effect on July 1, 2005. I will have the actuary look at that as well and get that information for you.

SENATOR BEERS:

Do medical retirement benefits have an impact on long-term workers' compensation payments?

Ms. BILYEU:

The retirement act offsets our benefit against workers' compensation, but the workers' compensation award is not offset against the retirement benefit. That is, if an individual receives a long-term workers' compensation award, our benefit coupled with that cannot exceed 100 percent of the individual's average compensation while actively employed. In that case, the PERS benefit will be reduced.

NANCY J. HOWARD (Nevada League of Cities):

We oppose this bill only because of the increased cost to local government.

SABRA SMITH-NEWBY (City of Las Vegas):

We oppose this bill on the grounds of the cost alone.

CHAIR RAGGIO:

I will close the hearing on S.B. 145 and open the hearing on S.B. 156.

SENATE BILL 156: Provides for establishment of program of agronomy, horticulture, landscape ecology, and design and plant sciences within University and Community College System of Nevada. (BDR 34-823)

KAREN R. GRILLO (Nevada Association of Counties):

I bring Senator John J. Lee's apologies and his statement supporting this bill for the record ([Exhibit J](#)). In addition, I have written testimony from a number of people who support this bill but could not be present today ([Exhibit K](#)).

DEBRA RAE DREW (Executive Director, Nevada Landscape Association):

I support this bill, and I have provided written testimony ([Exhibit L](#)).

ANDY BELANGER (Las Vegas Valley Water District):

We support this bill. We believe this bill can help improve the green industry in southern Nevada and provide the state with experts to get water-efficient landscaping installed.

JOE L. JOHNSON (Toiyabe Chapter Sierra Club):

We support this bill.

DOUG BUSSELMAN (Nevada Farm Bureau):

We support this bill. This type of investment is needed within the University of Nevada and the Community College of Southern Nevada. There is currently a lack of this type of educational infrastructure within the agricultural college, and we see this proposal as the beginning steps to address this void.

EDITH ISIDORO-MILLS

I support this bill. I have provided my written testimony ([Exhibit M](#)).

JOHN L. MCLAIN (Resource Concepts, Incorporated):

I support this bill. I have provided my written testimony ([Exhibit N](#)).

HEATHER M. DYE:

I support this bill.

CHAIR RAGGIO:

We would like to receive information from the University and Community College System of Nevada about their willingness to implement this proposal. We would also like to know how the funding would be utilized for this purpose.

SENATOR TITUS:

The intent of this bill is good, but I do not see how a new degree program requiring labs and scientists could be put together for \$1.2 million. This seems to be another example of a program started outside of the University's overall plan.

Ms. GRILLO:

I am submitting a copy of the feasibility study for the program ([Exhibit O](#), original is on file at the Research Library) for the record.

DAN KLAICH (Chief General Counsel, Chancellor's Office, University and Community College System of Nevada):

This program has not gone through our academic planning process. Typically a new program is reviewed by the institution and the Board of Regents' Academic Standards Board before going to the Board of Regents for approval. We do not currently have a position on this bill.

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CHAIR RAGGIO:

Please have the appropriate people assess the cost of this bill and report back to us. I will close the hearing on S.B. 156 and open the hearing on A.B. 94.

ASSEMBLY BILL 94 (1st Reprint): Makes supplemental appropriation to State Department of Conservation and Natural Resources. (BDR S-1194)

ALLEN BIAGGI (Director, State Department of Conservation and Natural Resources):

I have provided written testimony (Exhibit P) explaining the need for this supplemental appropriation.

CHAIR RAGGIO:

This is the first reprint of the bill. What does that comprise?

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau):

The amendment processed by the Assembly Committee on Ways and Means reduced the amount of payment for the salaries based on available money from the Board of Examiners for salary adjustment.

CHAIR RAGGIO:

I will close the hearing on A.B. 94 and open the hearing on A.B. 95.

ASSEMBLY BILL 95 (1st Reprint): Makes supplemental appropriation to Department of Business and Industry for unanticipated shortfall in money resulting from reclassification of positions in Nevada Athletic Commission. (BDR S-1195)

MR. GHIGGERI:

This appropriation was recommended in the Governor's *Executive Budget* to provide a supplemental appropriation for the current year costs for salary shortfalls due to reclassification of positions. It was submitted as an amendment by the Budget Division to increase the funding amount by \$10,000. This was increased by the Assembly Committee on Ways and Means by approximately \$7,000, for a total appropriation of approximately \$15,000 for the biennium.

CHAIR RAGGIO:

Mr. Comeaux, do we need any further information on this?

MR. COMEAUX:

No. We are not opposed to this bill.

CHAIR RAGGIO:

I will close the hearing on A.B. 95.

SENATOR BEERS MOVED TO DO PASS A.B. 94.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE WAS ABSENT FOR THE VOTE.)

SENATOR MATHEWS MOVED TO DO PASS A.B. 95.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CEGAVSKE WAS ABSENT FOR THE VOTE.)

CHAIR RAGGIO:

I will open the hearing on S.B. 264.

SENATE BILL 264: Creates program for economic diversification in counties economically dependent on mining. (BDR 18-977)

SENATOR RHOADS:

This bill originated at the request of the community of Elko, though it has benefit for the entire state. Many of the smaller communities of Nevada, such as Ely, Battle Mountain and Winnemucca, have seen both good and bad times because their economic well-being is tied closely to that of the mining industry. This bill creates a grant program to encourage economic diversification in these counties. Elko currently has an opportunity to establish themselves as "the Port of Elko," a central hub for shipping containers to be transferred between trucks and railroad cars. It would be a tremendous uplift for the community if they can find the money to build the infrastructure needed to support the enterprise.

BE-BE ADAMS (Barrick Gold of North America):

We support this bill. Barrick Gold of North America has operations in Carlin, Eureka and Beatty. In these communities, our job is not just to extract the minerals, but to help the communities grow, prosper and stay strong. This is easier and cheaper to do in communities where mining is still being done, like Elko. We support the Port of Elko project, but this is a special project for one community. In places like Beatty, where mining production has stopped and workers have left, trying to create economic development is much more difficult and expensive. This bill will be of great help to communities like Beatty, Tonopah and Lone Tree.

SENATOR MIKE MCGINNESS (Central Nevada Senatorial District):

I support this bill.

CHAIR RAGGIO:

I will close the hearing on S.B. 264 and open the hearing on S.B. 289.

SENATE BILL 289: Makes appropriation to Division of State Library and Archives of Department of Cultural Affairs for operation of bookmobiles in rural counties. (BDR S-959)

SENATOR RHOADS:

I live in an isolated area. When my two daughters were growing up, bookmobiles were very important to us. The bookmobile in Elko covers one-third of the state, an area larger than 13 states. The arrival of the bookmobile is a welcome event every time it arrives in a rural community. If this bill is processed, I would like to change the appropriation from \$50,000 to \$80,000,

which reflects \$40,000 in each year of the biennium, to cover rising energy costs.

CAROL MADSEN (Vice Chair, Elko-Lander-Eureka County Library Board):
I support this bill and have provided my written testimony ([Exhibit O](#)).

SENATOR BEERS:
Is this not in the budget already?

MS. MADSEN:
This item is a portion of the State Library and Archives budget.

SARA F. JONES (Administrator, Division of State Library and Archives,
Department of Cultural Affairs):
There is just shy of \$78,000 in my budget to support the three bookmobiles in the state. The request is to increase that by \$40,000 in each year of the biennium.

SENATOR BEERS:
Will that get us another bookmobile?

MS. JONES:
No. We bought the three we now have in 1975 for a total cost of \$250,000. Today bookmobiles cost between \$200,000 and \$250,000 each.

CHAIR RAGGIO:
Does the bookmobile budget cover all costs, including fuel?

MS. JONES:
It does not cover it completely. Local libraries share some of the costs; they pay for some of the personnel and all the books. We also receive \$26,000 per year from the federal government.

CHAIR RAGGIO:
I will close the hearing on [S.B. 289](#) and open the hearing on [S.B. 314](#).

[SENATE BILL 314](#): Makes appropriation to Atomic Testing Museum in Las Vegas for educational program. (BDR S-468)

SENATOR TITUS:
I support this bill. I have provided a copy of the two-year budget being requested by the Atomic Testing Museum ([Exhibit R](#)). This is a great example of a public-private partnership. The museum opened in February to rave reviews. It is a way of telling another side of Nevada's story and letting people know the contribution Nevada made to the Cold War.

SENATOR BEERS:
The museum has turned out to be a surprising tourist attraction. They are getting visitors from all over the country, as well as from Asia and behind the Iron Curtain. What is missing is a way to get this integral part of our heritage to Nevada schools. That is a big piece of what this bill sets out to do.

SENATOR TITUS:

I would point out this is not just a museum. It is also a conference center, a lecture hall, a moving gallery and a research center.

WILLIAM G. JOHNSON (Director, Atomic Testing Museum):

This museum is bringing to the public the history of the Nevada Test Site in a format that conveys more information than you could get researching the information on your own. We have received international media interest, with reporters from Japan, Germany and the United Kingdom, as well as across America. What we want to do is bring this material to the schools. The bill provides funding for busses and to offset the cost of opening the museum to at-risk students.

CHAIR RAGGIO:

We will need a more detailed budget from you.

MR. JOHNSON:

I will provide that.

CHAIR RAGGIO:

I will close the hearing on S.B. 314 and open the hearing on S.B. 345.

SENATE BILL 345: Makes appropriation to Division of State Library and Archives of Department of Cultural Affairs for distribution to Nevada Public Radio Corporation and KLVX Communications Group for support of statewide Radio Reading Service for blind and print-impaired persons and for Captioned Media Program for deaf persons. (BDR S-1105)

SCOTT M. CRAIGIE (Nevada Public Broadcasting):

This is a program that has been under way in the radio community and is starting up in the television community.

LAMAR MARCHESE (General Manager, KNPR, Nevada Public Radio):

I have written testimony ([Exhibit S](#)).

MR. CRAIGIE:

I am providing written testimony ([Exhibit T](#)) from Mr. Tom Axtell, President of KLVX, which is Channel 10 in southern Nevada. This material describes the Captioned Media Program that provides captioned television for people with hearing impairments.

SENATOR CEGAVSKE:

Does this have any relation to the Talking Books program for students with learning disabilities?

MR. MARCHESE:

The Talking Books program is run by the U.S. Library of Congress and consists of full-length books and novels. The Radio Reading program is a daily reading of local newspapers, including obituaries, the classified sections, advertisements and comics. It serves as a supplement to the Talking Books program.

SENATOR CEGAVSKE:

Can we get funding from the Talking Books program?

MR. MARCHESE:

There is no federal funding for that program.

SENATOR CEGAVSKE:

Is your program available for seniors and children with learning disabilities?

MR. MARCHESE:

Yes. We will install a receiver free of charge for anyone with a vision disability. Most of our users are seniors who have lost their vision late in life. We are not currently working with the schools.

CHAIR RAGGIO:

What would be the availability for the rest of the state? [Exhibit T](#) speaks only of Channel 10.

MR. MARCHESE:

Station KLVX is working in cooperation with KNPB, the northern Nevada public television station. Station KLVX has the contract and the leadership role, but all the stations work together. Station KNPB would do the distribution, publicity and other outreach programs.

CHAIR RAGGIO:

How is this program currently being funded?

MR. CRAIGIE:

The television stations are taking the money from their current budgets. They have received a small amount of money through the grant program, but startup costs are greater and harder to raise. The northern stations will need hardware as well as software programs, whereas the southern stations already have the hardware in place.

MR. MARCHESE:

The radio stations subsidize the reading service through our general fund which is maintained through contributions and public support. The people who receive the reading service are generally not in a position to pay for it. We have offered the service in southern Nevada since 1993 using our own resources. When we expanded it in 2002 to make it a statewide service, our costs increased substantially. We are now serving Reno, Elko, Ely, Tonopah and Panaca via satellite signal from Las Vegas.

SENATOR MAGGIE CARLTON (Clark County Senatorial District No. 2):

I support this bill. Reading the newspaper in the morning is an important part of staying connected to the world. This bill adds that small component of knowledge to people who cannot read the newspaper.

MR. MARCHESE:

Some of this funding will be used to place more receivers in homes. Many of the people who need this service are lifelong readers who are now unable to read due to illness or age. We have 55 volunteers who come in to read 365 days a year.

SENATOR MATHEWS:

I support this bill. I have a bill, S.B. 134, making its way through the process right now establishing professional standards for people who provide captioning services for the deaf.

SENATE BILL 134: Requires providers of Communication Access Realtime Translation to be qualified. (BDR 54-142)

SENATOR COFFIN:

Do you read live or do you tape?

MR. MARCHESE:

The morning newspapers are read live at 8 a.m. every day; this is taped and replayed at 10 a.m. The afternoon newspaper is read in the afternoon and replayed later. We are connected to a national network reading other material, such as national newspapers, tabloids and serialized books, for the rest of the 24 hours.

SENATOR COFFIN:

Can a person buy a receiver for this service?

MR. MARCHESE:

As far as I know, they are not on the market. They are only available from a few vendors. The receiver has only an on-off switch and a volume control and is permanently tuned to our broadcast system.

CHAIR RAGGIO:

I will close the hearing on S.B. 345 and open the hearing on S.B. 265.

SENATE BILL 265: Provides for allowances for certain travel expenses incurred by Legislators during legislative interim. (BDR 17-538)

SENATOR RHOADS:

This bill provides travel allowances for all legislators to attend local government meetings. My district covers two-thirds of the State of Nevada. I made several trips during the interim to Caliente and Panaca. There are two ways to get there: to drive 950 miles roundtrip from my home in Tuscarora to Panaca, or to fly to Las Vegas, rent a car and drive 165 miles to Panaca. Airfare is close to \$500 and car rental is around \$100.

CHAIR RAGGIO:

This bill has a cap of \$5,000 for each legislator during the interim, is that correct?

SENATOR RHOADS:

Yes.

SENATOR MCGINNESS:

I support this bill. It is nearly 500 miles to Mesquite at the other end of my district.

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SENATOR MATHEWS:

Have you given any thought to the problem of workers' compensation for legislators on these types of trips? We are not covered if something happens on the road to Gerlach to report to our constituents.

SENATOR RHOADS:

The bill does not cover that, but we could look into it.

CHAIR RAGGIO:

The fiscal note estimates about \$120,000 for FY 2006 and \$60,000 for FY 2007 with an average claim of \$2,500.

I will close the hearing on S.B. 265. If there are no further comments, I will adjourn the meeting at 10:25 a.m.

RESPECTFULLY SUBMITTED:

Lynn Hendricks,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____